GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:898
ANSWERED ON:27.07.2001
ELEVENTH FINANCE COMMISSION
TRILOCHAN KANUNGO

Will the Minister of FINANCE be pleased to state:

(a) the post-tax devolution of non-plan revenue surplus/deficit of each of the non- specia! category States during 2000-05 as assessed by the Eleventh Finance Commission;

(b) the per capita non-plan revenue surplus/deficit of each of the non-special category States after the devolution of taxes by the EFC taking the causes figures for 2001;

(c) whether the Government are aware of the high disparity of per capita non-ptan revenue surpius/deficit among the non-special category States;

(d) if so, the steps being taken by the Union Government to remove or reduce the disparities through assistance under Article 282 of the Constitution; and

(e) if not, the reasons for the same after non-revenue grants awarded by the EFC,the per capita non-plan revenue surplus/deficit of each of the non-special category States during 2000-05?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN):

(a) and (b) A Statement is enclosed.

(c) to (e) Recommendations of Finance Commissions are not aimed at equalizing post-Tax devolution of revenue surplus or deficits of States. It is for the respective State Governments to undertake improvement in State finances by reducing non-plan revenue expenditure and achieving a better balance between their resources and expenditure commitment. The Finance Commission holistically assesses the finances of the Center and States, and recommends aevolution as well as grants, keeping the broad objectives of vertical and horizontal equity. The Criteria & Relative Weights for determining inter-se share of States in tax devolution and the criteria for Revenue deficit grants have been spelt out in the Report of the EleventhFinance Commission. The Government of India has accepted the recommendations of the Eleventh Finance Commission.